

# Senate Study Bill 1074

SENATE FILE \_\_\_\_\_  
BY (PROPOSED COMMITTEE ON  
GOVERNMENT OVERSIGHT BILL  
BY CHAIRPERSON LUNDBY)

Passed Senate, Date \_\_\_\_\_ Passed House, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

## A BILL FOR

1 An Act relating to life science enterprises by providing for  
2 financing, and providing an effective date.  
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:  
4 TLSB 2472SC 80  
5 da/sh/8

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1 1 Section 1. Section 10C.3, unnumbered paragraph 1, Code  
1 2 2003, is amended to read as follows:  
1 3 Notwithstanding any other provision of law, a life science  
1 4 enterprise may acquire or hold an ownership or leasehold  
1 5 interest in agricultural land if the economic development  
1 6 board approves a life science enterprise plan as provided in  
1 7 section 15.104. A life science enterprise must acquire or  
1 8 hold the agricultural land pursuant to the plan which may be  
1 9 amended as provided by the board. However, the life science  
1 10 enterprise shall not hold a total of more than three hundred  
1 11 twenty acres of agricultural land. The life science  
1 12 enterprise shall hold the land only for purposes of producing  
1 13 life science products according to the life science enterprise  
1 14 plan. ~~In addition, the life science enterprise shall not~~  
~~1 15 acquire or hold agricultural land if the life science~~  
~~1 16 enterprise receives any form of financing from an Iowa~~  
~~1 17 agricultural industry finance corporation as provided in~~  
~~1 18 chapter 15E.~~ A life science enterprise that complies with  
1 19 this section may hold the interest in the agricultural land,  
1 20 as provided in the plan, for as long as commercial sales of  
1 21 products produced from the agricultural land are subject to  
1 22 the following:

### EXPLANATION

1 24 PROVISIONS OF THIS BILL. This bill removes a restriction  
1 25 which, according to Code section 10C.3, prohibits a life  
1 26 science enterprise from both holding agricultural land in this  
1 27 state and receiving any form of financing from an Iowa  
1 28 agricultural industry finance corporation.

1 29 BACKGROUND == LIFE SCIENCE ENTERPRISES. Code chapter 10C  
1 30 provides for life science enterprises. A life science  
1 31 enterprise is a corporate entity that is engaged in the  
1 32 production of products derived from an animal, such as a dairy  
1 33 cow, but which is not associated with traditional agriculture  
1 34 (e.g., embryos or oocytes for use in implantation; blood,  
1 35 milk, or urine for use in the manufacture of pharmaceuticals  
2 1 or nutraceuticals; or cells, tissue, or organs for use in  
2 2 transplantation). The purpose of the Code chapter is to allow  
2 3 a corporate entity that meets the requirements for a life  
2 4 science enterprise to hold up to 320 acres of agricultural  
2 5 land for farming, notwithstanding contrary provisions in Code  
2 6 chapters 9H and 9I (see 2000 Acts, chapter 1197).

2 7 BACKGROUND == IOWA AGRICULTURAL INDUSTRY FINANCE  
2 8 CORPORATIONS. Under Division XIX of Code chapter 15E, an Iowa  
2 9 agricultural industry finance corporation is a private  
2 10 business which is recognized by the state to provide financing  
2 11 to eligible persons who are engaging in specific agricultural  
2 12 industrial ventures (an agricultural products processor or an  
2 13 agricultural biotechnology enterprise). There is one such  
2 14 corporation currently organized that has received an Iowa  
2 15 agricultural industry finance loan from the department of  
2 16 economic development. The general assembly has appropriated  
2 17 moneys to the department, subject to repayment, for purposes  
2 18 of awarding such a loan to an eligible corporation in order to  
2 19 finance these ventures (see 1998 Acts, chapter 1207).

2 20 EFFECTIVE DATE. The bill takes effect upon enactment.

2 21 LSB 2472SC 80

2 22 da/sh/8

